

## **FISCAL NOTE**

### **HB 906 - SB 911**

March 8, 2005

**SUMMARY OF BILL:** Requires any funds received by the state after the General Assembly has adjourned to be held in a reserve account until such funds can be appropriated by the General Assembly. Provisions of this bill do not apply to funds received from the federal government and earmarked or designated for specific purposes or to funds expended in cases of emergency declared by the governor.

#### **ESTIMATED FISCAL IMPACT:**

##### **Increase State Expenditures – Exceeds \$96,000**


**Other Fiscal Impact – The ability of departments to obtain funding from private grants may be jeopardized. Many private grants require specific timelines for implementation of the programs associated with the funding.**

#### Assumptions:

- Private funding to individuals, departments, or schools within the system of higher education would not be subject to the provisions of this bill.
- Interdepartmental transfer of earmarked federal funds, in the form of payments, would not be affected by this bill.
- Proceeds transferred to the state from the Tennessee Education Lottery Corporation would not be subject to the provisions of this bill.
- Enactment of this bill would delay certain departmental and agency expenditures normally funded with departmental and agency revenues obtained after the General Assembly adjourns.
- State expenditures that would be delayed are estimated to exceed \$3.2 million per year.
- 3% rate of inflation.
- Delaying \$3.2 million in initial state expenditures could cost the state an additional amount estimated to exceed \$96,000 per year due to inflation costs (\$3.2 million X 3% = \$96,000).
- Enactment of this bill could jeopardize the ability of departments to obtain funding from private grants.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director